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ABSTRACT

The college choices of the academically talented and their financing of college were studied through a 1981 survey of 280 National Merit scholars in Indiana. The influences of college majors, family size and income, parental occupation and education, and national test performance were examined. The Indiana Merit scholars more often majored in engineering and architecture and the physical/natural sciences compared to the Indiana or national college-bound groups; less often, in business and education. Both sex and test performance significantly related to academic majors of the scholars. Many, but not all, of the Indiana scholars came from high-income families. Income was related to parental support for college attendance, and both were related to the type and location of the college and its cost. The most important variables in determining college support for these students were college costs and family income, with Scholastic Aptitude Test scores a close third factor. The majority of merit scholars received some financial support from their colleges and universities. The comments and concerns of survey respondents were also considered, along with issues pertaining to corporate contributions to the merit scholarship program. (SW)

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THE SEARCH FOR REAL SCHOLARSHIPS FOR OUR ACADEMIC CHAMPIONS

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THE SEARCH FOR REAL SCHOLARSHIPS FOR OUR ACADEMIC CHAMPIONS

A. Stephen Higgins

There is now some rather convincing evidence on the positive correlation between family income and student performance on standardized tests. The data range from fourth grade reading scores to high school Scholastic Aptitude Test scores.[1] But then there is also the widely held perception that many of the high scorers in the high schools - the best and the brightest - from the more affluent families do not need financial help to attend our colleges and universities; and that the money they do receive in "no-need" scholarships is simply a perversion of a democratic, eqalitarian system of higher education.

The best and the brightest have some news for the readers of this journal. Not only do they want the money but they also do not accept the present structure of financial aid. Their biggest question is, to quote from one National Merit scholar: "Where in hell are the financial rewards for academic achievement in this country?"

This response is typical of the many comments received on a questionnaire that was sent to 370 National Merit scholars from the state of Indiana in the late Summer of 1981. The survey answered two important questions, among others: (1) where the academically talented went to college; and (2) how they paid for the costs of their education. The relationship of these two

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items to their college majors, family size and income, parental occupation and education, and national test performance will be discussed in some detail. The possibilities of real scholarships from other sources will also be examined.

The Academic Champions

A few years ago, we labeled our most academically talented students as "bluebirds" in the early elementary grades. Others were grouped as robins and sparrows to complete the academic pecking order. We still categorize them; but in an attempt to eliminate some invidious, elitist comparisons we often refer to them now as Mary's group, Richards's group, or Wally's group. Never mind that the conversations in the teachers' lounge still mention the high, middle, and low achievers.

This academic sorting process or ability grouping has always been with us, and is much more formalized in other countries. At ages five, six, or seven, the student may not know what terms are being used to describe their talents, but they certainly know if they are bluebirds, robins, or sparrows. They get the message by encouragement from their teachers, by the titles on their reading books, by the supplementary materials in their math lessons, and by guidance at home. Indeed, these children begin their own headstart program as early as possible, based on parental education, employment, income, and neighborhood. By the third and fourth grades they have confirmed their academic positions on national aptitude and achievement tests, and the silver spoon of ability continues to be polished throughout the school years. From a national perspective, these students are "the academic champions," and they know it.[2] Everybody in their high school knows it. Throughout the years they have demonstrated the kinds of learning that schools are supposed

to spend most of their time trying to develop. The final confirmation of their position takes place when they score in the top half of one percent on the Preliminary Scholastic Aptitude Test (PSAT) and are then eligible to compete for monetary awards from the National Merit Scholarship Corporation (NMSC). The NMSC tells them that this is the annual search to identify and honor the nation's most academically talented high school students who show exceptional promise.

The Selection of National Merit Scholars

Before paying attention to the Indiana scholars, it would be more beneficial at this point to carefully review the NMSC program. Millions of Americans are familiar with the name Merit Scholar and, even as a refresher course for those readers who have written recommendations for their students for the NMSC competition, the selection process is a fascinating one and deserves close attention and description.

The Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSOT) is administered in October of each year to well over one million juniors in 18,000 high schools. As the title suggests, the verbal test and the math test on the PSAT are a warm-up for the regular SAT's taken by students later in their junior year or in their senior year. They are scaled the same way--20 to 80 for the PSAT and 200 to 800 for the SAT--and approximately 15,000 are named to semifinalist status at the beginning of their senior year.

Different states have different cutoff scores so that the number of semifinalists in each state is proportional to the number of high school graduating seniors for that year. For example, the State Selection Index or cutoff score (double the verbal and add the math) for the 1981 program was

201 in Connecticut, 199 in Massachusetts and New York, 190 in Ohio and Texas, 188 in Indiana and Michigan, and 184 in Kentucky and Alabama. To score 195 one would need an average of 65 in both verbal and math.[3] Keep in mind, however, that the NMSC program concentrates on the individual performances of the students, and score averages are not supposed to be a measure of the quality of specific schools or of a state's educational system. Not every student takes the PSAT. One should also note that another 35,000 receive certificates of commendation for their test performance by scoring in the top five percent across the nation.

But only semifinalists can become finalists in the competition for $19.1 million in three different award categories. They compete because there is only a limited amount of money to be distributed, and there are restrictions on many of the awards sponsored by the corporations and colleges.

Over 90 percent of the 15,000 (approximately 13,600) advance to finalist standing by meeting certain obvious requirements: the high school transcript should demonstrate high academic standing; the PSAT scores should be confirmed by an equivalent performance on the SAT's; the high school principal must recommend the semifinalist(s); and the student is asked to submit a brief biographical essay. He or she must be planning to enroll as a full-time day student in a regionally accredited college in the fall term following high school graduation. In addition, the parents are requested, but not required, to file a statement concerning their financial circumstances. This is an early version of the Financial Aid Form sent to the College Scholarship Service of the College Board where eligibility for financial aid is calculated by a "needs assessment" formula. If the parents do not want to have detailed financial information sent to the NMSC, they may then submit a Request for Minimum Stipend to the NMSC. The minimum is usually $250

to $500 per year if the finalist is selected for a four-year award.

Now only forty percent of the 13,600 finalists (5,600) are going to receive money, and about 3,800 of them will be granted four-year awards where family financial information is used to determine the amount of the stipend from the corporations or the colleges. Here is how it works.

About 1,400 high performers who meet specified preferential criteria, such as parental employment at a sponsoring business, are selected for four-year Corporate Merit Scholarships. A few students are chosen because they live where a sponsor has facilities or they are planning to enter a particular career area that the company wishes to encourage. The value of the award is determined by the NMSC, taking into account the family's financial circumstances and the costs of attending the college selected by the winner. The dollar amount for this factor could range from $250 to $2,000 per year, and the reported average award over the last few years has been $1,350. Parenthetically, acceptance of any other aid over $250 per year may reduce the corporate stipend accordingly. It may also be increased if financial circumstances change over the years.

Another 2,400 finalists who are planning to attend a sponsoring college or university as their first choice are also selected for four-year scholarships by the individual institutions. The NMSC supplies the names, and the institutions themselves choose the winners from admissions records, compute their financial need, and set the amount of the stipend. They often elect to package the aid with loans, employment, and even other scholarships. However, these winners must report all financial aid they accept each year from all sources, and the college may then reduce the Merit stipend. The average award over the last few years from almost 200 institutions has been $900.

In addition to the four-year corporate or college scholarships, there is one other award for which every finalist competes. These are the one-time $1,000 scholarships underwritten by corporate and business sponsors who also regularly support the four-year preferential scholarships. As in the determination of semifinalists, these nonrenewable scholarships are distributed on a proportional basis in each state with final selection by teams of college admissions officers and secondary school counselors. (If there is more than one finalist at a high school, the principal is asked in the application process to reveal the relative strengths of the candidates. As in a selective college admissions process, such recommendations and characterizations may very well be the deciding factor.) Family financial data are not examined, and financial need is not considered. These are the real no-need scholarships, but less than 1,800 are given out each year.

Instead of $19.1 million being awarded annually in National Merit "Scholarships," only $1.8 million of this (1,800 at $1,000 each) is given on a no-need basis. A financial need factor is considered in distributing $7.4 million to those who meet corporate preferential criteria, and in the $9.9 million given by the colleges and universities.[4] To be sure, over 5,000 received money - some as little as $250 per year - for their efforts; but more than 9,500 walked away with semifinalist and finalist certificates and another 35,000 were commended.

The Indiana National Merit Survey

There were 636 Indiana students commended for their efforts in the PSAT competition and another 381 reached semifinalist status in September of 1980. The NMSC publishes the names of all semifinalists and their high schools, and their home addresses were secured through newspaper publicity releases

using a state-wide clipping service, through telephone or city directories, or by contacting the high school principals (who often forwarded the request for address to the students themselves). The letter to the principals explained the nature of the research project and indicated that the survey would be sent to the semifinalists during the Summer of 1981 when all college choices and financial plans were completed by their graduates.

Of the 381, eight were deleted from the mailing list due to an out-of-state home residence while attending private boarding schools in Indiana or by early graduation from high school (usually at the end of the junior year). Three had transferred to out-of-state high schools for their junior and/or senior year. The remaining 370 met the original criteria of being a state resident attending an Indiana high school for at least two years and graduating in the Spring of 1981. They received the survey in July with a follow-up to non-respondents in August.

From the 370 original contacts 290 responded, but ten of them returned the questionnaire after the cut-off date of October 1. The 280 included in this discussion represent 75.7 percent of the original population, with 177 young men (63.2 percent) and 103 young women participating. This is approximately the same distribution found in the original listing of semi-finalists. It should also be noted that there was very little difference in the semifinalists' intended college majors when they were juniors in high school in October of 1979 and their declared majors almost two years later (Summer, 1981). The non-respondents' intended and declared college majors were no different than the respondents; and both groups appeared to be quite similar in SAT scores, family size, parental education, occupation and income, etc. One might have expected a significantly higher return from those selected as finalists and from those who received monetary awards. However,

in examining the percentage figures in the NMSC annual reports, such was not the case in this very large sample. In a word, the 280 respondents were representative of the original group of 370.[5]

Higher Education Choices

Table 1 lists the intended areas of study, by sex, for these "Indiana Merits". Their responses are compared with the 1981 first-choice academic majors of 35,093 Indiana college-bound and 906,195 National college-bound students reported by the Admissions Testing Program of the College Board. The biggest differences for the Indiana Merits were their declared majors in Engineering-Architecture and the Physical-Natural Sciences (higher than the Indiana or National college-bound groups) and the lower percentage of majors in Business

Table 1

Intended Areas of Study (in percent) by Respondents in Three Surveys During 1980-81.

	Indiana Merit Survey			Indiana College-Bound*			National College-Bound*		
Intended Area of Study	M	F	ALL	M	F	ALL	M	F	ALL
Engineering - Architecture	32	15	26	24	3	12	25	4	14
Physical - Natural Sciences[1]	29	18	25	14	9	11	16	10	13
Social Sciences - Humanities	12	20	15	13	16	15	15	21	18
Health Sciences	6	18	11	8	21	15	9	19	14
Business and Commerce	7	6	7	18	22	20	18	19	19
Education	-	-	-	4	12	8	3	9	6
Undecided and Other[2]	14	22	16	18	18	18	16	18	17

[1]Includes Computer Science

[2]Art, Music, Home Ec, Agriculture, etc.

*Source: Indiana College-Bound Seniors, 1981 (Table 14); and National College-Bound Seniors, 1981 (Table 14) published by Admissions Testing Program of the College Board in August of 1981.

and Education. Note that one-half (51 percent) of the Merits selected Engineering and the hard sciences while 23 and 27 percent of the Indiana and National groups chose these majors.

There were differences in declared majors according to sex. For example, 15 percent of the female Merits chose Engineering or Architecture while 32 percent of the men did so. Contrast these figures to 3 percent of the Indiana women or 4 percent of the National women who selected this area for study. The Physical-Natural Sciences showed a similar pattern. For the other areas (excluding Education) the ratio of males to females selecting specific fields of study was reasonably consistent for the three groups of respondents; e.g., 6:18 vs. 8:21 or 9:19 in the Health Sciences. Education was the glaring exception: less than 1 percent of the Merits selected this area.

Using Chi Square (X^2) analysis for the Indiana Merits, the difference in academic major by sex is significant at the .0001 level (see Table 3).[6] There are other variables that also relate to choice of college majors. One obvious factor would be test performance, and Table 2 shows their SAT scores compared to the verbal and math scores of the Indiana and National groups. Without doubt these young men and women are some of the very best and brightest in the country. All but three were in the academic/college preparatory program in high school and 90 percent graduated in the top 10 percent of their class. They have indeed confirmed their PSAT performance. Close to 70 percent are at the 97th percentile or better with an SAT-Verbal mean score of 662 and a Math mean score of 686. But even in this select group the women follow state and national patterns with lower scores on both the verbal and math sections. "Lower" is a relative term, of course, since 56 percent of the women (but 68 percent of the men) scored 650 or better on the verbal, while 64 percent of the women and 85 percent of the men scored at this level on the math. There is a significant

Table 2

Percent That Score in Each SAT Category
in Three Surveys During 1980-81

	Indiana Merit Survey			Indiana College-Bound			National College-Bound		
Score	SAT-V	SAT-M	SAT-A	SAT-V	SAT-M	SAT-A*	SAT-V	SAT-M	SAT-A**
To 349	-	-	-	28	20	19	25	17	17
350-399	-	-	-	20	14	17	17	12	14
400-449	-	-	-	19	15	18	18	15	17
450-499	-	-	-	14	15	17	15	15	17
500-549	2	2	-	10	14	13	12	15	14
550-599	12	7	4	5	10	7	7	12	9
600-649	22	13	23	2	6	3	4	7	5
650 +	64	78	73	1	4	2	3	7	3
Mean	662	686	-	406	451	-	424	466	-

*Average calculated from Table 11 of Indiana College-Bound Seniors, 1981. Excluded are 999 respondents (3 percent) out of 31,684 who do not have both SAT scores and estimated parental contribution.

**Average calculated from Table 11 of National College-Bound Seniors, 1981. Excluded are 35,082 respondents (4 percent) out of 799,097 who do not have both SAT scores and estimated parental contribution.

relationship ($p = .007$) between the SAT-Math score and declared major for this group. Translation: the higher the math, and it is usually a male, the more one chooses Engineering and the Physical-Natural Sciences.

In order to visualize the significance of the factors already mentioned (sex, SAT-Math, academic major), and to provide complete documentation for further discussion, Table 3 is a data base of ten important variables that will help to explain almost all other relationships that were found for this group of 280 Merits.

Since X^2 does not explain why there is a significant difference, the statis-

Table 3

Significant Chi Square (X^2) Inter-Relationships
Between Ten Variables for 1981 Indiana Merits

Variable		1	2	3	4	5	6	7	8	9	10
Male-Female	1	- -			.0001		.0007				.01
Public-Private	2		- -	.0001	.01			.01	.0001	.0001	.001
Location	3		.0001	- -				.0002	.0001	.01	.01
Academic Major	4	.0001	.01		- -	.004	.0007				.01
Highest Degree	5				.004	- -					
SAT-Math	6	.0007			.0007		- -	.01			.01
Family Income	7		.01	.0002			.01	- -	.004	.0001	-.01
College Costs	8		.0001	.0001				.004	- -	.003	.01
Parental Support	9		.0001	.01				.0001	.003	- -	-.01
College Support	10	.01	.001	.01	.01		.01	-.01	.01	-.01	- -

tical technique of step-wise regression analysis was used to "factor out" or identify the most important variable(s) related to each of the ten listed in Table 3. For example, SAT-Math is the most predictive or discriminating variable for the relationship between sex and major. (SAT-Average is not included in Table 3, but the same level of significance exists for it as for SAT-Math. SAT-Math is, of course, an integral part of SAT-Average.)

Now look at the significant X^2 relationship (p=.01) between academic major and the type of university (public-private) that the student attended. Generally those who selected the publics were in Engineering, the Physical-Natural Sciences, and Business; while the 51 percent at the privates had a

tendency to choose the Humanities-Social Sciences or the Health Sciences. Many of the majors in the last two groups were in the preprofessional programs of medicine, law, etc. and plan to seek degrees beyond the baccalaureate ($p = .004$).

Even though these young men and women attended public or private colleges in proportion to their sex (2:1), 76 of the 88 who were freshmen at out-of-state institutions (regardless of sex) enrolled in privates ($p = .0001$) and usually came from higher income families. Selective colleges on the East Coast were well represented with 34 Merits, while 27 others enrolled in privates in states that border Indiana. At first glance this appears to be a tremendous loss of talent. However, a current state-wide cooperative research project on the 1980 high school graduates by the Indiana Association of College Admissions Counselors and the College Board indicates that the exodus is balanced by out-of-staters arriving with similar scores and higher family incomes.

Of the 69 percent who remained in the state, 124 out of 192 attended public institutions. For the record, 67 went to Purdue and 42 went to Indiana University.

Due to the previous relationship between academic major and institutional type, and between type and location, one might have expected a bond between major, type and location. However, such a relationship was not strong enough to warrant significance for this study. In a sense the students could have selected the same majors regardless of location (and sometimes type), but they stayed or left because of other factors that were closely related to family circumstances.

Financial Support

With the description of where the Indiana Merits went to college the first question in the survey has been answered. Some probable explanations for the relationships between sex, major and SAT scores have been offered, as well as the location and types of institutions they attended. The second big question to be examined concerns the financial resources available for the freshman year.

Family income is one of the most obvious resource variables to help finance higher education. Depending on the circumstances, of course, income is closely related to parental education and occupation. It also has a lot to do with where their sons or daughters go to college, the types of institutions they attend, and who pays. But parents are more than income variables, and it is important to at least provide a brief description of them since they are the support system that has nurtured and guided the student through the years.

One of the most striking facts is the stability of the marriages for this group. Considering the divorce and separation rate in our society, 88 percent of these students (242) came from homes where the original parents were still married to each other[7] and had produced three to four offspring. With one-half of the Merits having older brothers and sisters, 50 percent being first-born and 70 percent having younger siblings, they could almost be characterized as products of the 'togetherness' generation. Only thirteen were in single-child families.

Whatever comes first in holding the marriage together today, parental education and occupation may run a close second. Two-thirds of the fathers were college graduates and 47 percent of them had graduate degrees. For the mothers, 51 percent had the baccalaureate and 29 percent attended graduate school or received advanced degrees. Another 12 percent in either group had some college

experience, while very few (3 percent) did not graduate from high school.

With these credentials a large number of parents were employed in the professions of law, engineering, teaching, medicine, and other health areas. These professions accounted for 54 percent of the fathers' and 28 percent of the mothers' occupations. Another 19 percent of the fathers held administrative/managerial positions (government, manufacturing, office, sales) and 11 percent were craftsmen. The respondents checked the 'homemakers' category for 32 percent of their mothers and 24 percent were classified as clerical. A total of 67 percent of the mothers were working, and 96 percent of the fathers were gainfully employed (11 were either retired or deceased). Although not shown in Table 3 both education and occupation were highly related to family income ($p = .0001$).

As mentioned in the first paragraph of this article, SAT scores are closely related to the family income variable and Table 4 is a vivid illustration of this fact. The Indiana and National college-bound figures are included to show that many, but not all, of the Indiana Merits came from high income families. From the median contribution figures they estimated that their families would be able to pay about one-half of what it actually cost to attend a public institution in Indiana in 1981-82.

Family income is also related to a number of other factors, some of which are quite self-explanatory. Returning to Table 3, income was related to parental support for college attendance, and both were related to the type and location of the college and its cost. This suggests that the more affluent really had their choice of college while everyone else had to consider a host of factors in their decision. As might be expected, there was a negative relationship between family income and college support ($p = -.01$); but a rather interesting point

Table 4

Family Income and Contribution to Costs of Higher Education, by SAT-Average, by Respondents to Three Surveys During 1980-81

SAT-Average Score	To 349	350-399	400-449	450-499	500-549	550-599	600-649	650+	Average
Indiana Merit Survey									
1	-	-	-	-	27,000	33,900	30,510	35,480	31,860
2	-	-	-	-	27,000	31,000	28,850	33,890	30,320
3	-	-	-	-	890	2,990	2,350	2,920	2,770
4	-	-	-	-	890	2,810	1,900	2,300	2,225
5	-	-	-	-	1	4	23	72	
Indiana College-Bound Survey									
1	24,300	26,800	28,200	29,200	30,200	32,300	32,800	34,100	28,000
2	20,800	23,000	24,300	24,900	25,600	27,000	27,300	29,000	23,900
3	1,320	1,550	1,710	1,820	1,930	2,130	2,240	2,440	1,700
4	530	770	870	930	970	1,140	1,200	1,330	800
5	20	18	19	18	13	7	3	2	
National College-Bound Survey									
1	22,000	27,700	30,300	32,400	34,400	36,300	38,400	41,200	30,500
2	17,500	22,100	24,100	25,700	27,200	28,800	30,500	32,500	24,100
3	1,150	1,690	1,950	2,180	2,420	2,650	2,930	3,340	2,020
4	190	660	850	990	1,150	1,310	1,480	1,860	810
5	17	15	18	18	14	10	5	3	

1. Family median income
2. Family mean income
3. Family mean contribution
4. Family median contribution
5. Percent scoring in each SAT-Average category

Source: Indiana College-Bound Seniors, 1981 (Table 11); and National College-Bound Seniors, 1981 (Table 11) published by Admissions Testing Program (ATP) of the College Board in August of 1981. Family income and contribution figures in final column (Average) includes three percent of Indiana seniors and four percent of National seniors with no SAT scores. See 1981 College Guide to the ATP Summary Reports.

surfaced when all factors were analyzed in the regression analysis: the most important variables in determining college support for these students were college costs and family income, with SAT scores running a close third. Think of it this way for the first two factors mentioned: it is a long road from gross earnings to taxable income on the Federal 1040 form. Similarly it could be just as long from the reported gross parental (and student) income to the net disposable income and assets calculated by the College Scholarship Service. This 'bottom line' determines the range of support that families are expected to provide for college expenses; and it is a well known fact that there is a large gap between expected contribution and measured need, especially if one wishes to attend a private institution.

Until recently, with 'aid-blind' admissions policies, many of the selective privates and some of the large state universities were able to narrow the gap with their own restricted and unrestricted institutional funds. (And then there are the federally guaranteed student loans to complete the financial aid package.)

Now some of the money that these Merits received from the institutions may very well have been based on need, but some of it was in fact based on their past records and future potential. Presidential Scholarships, University Scholarships, Professional Scholarships, or whatever they are called, in whatever academic area, confirmed the awarding of "no-need" scholarships. This continuing controversy over the appropriate use of institutional funds needs little discussion here.[8] It happens in the publics as well as the privates. It rewards the students, and they just may produce as much as the no-need athletes. It helps the institution, particularly the faculty in the teaching-learning process. In many cases it is not

much but it is a fact in the lives of admissions officers. In Table 4 almost 1,600 or 5 percent of the Indiana students and 64,000 or 8 percent of the national group had SAT-Average scores of 600 or above. (The Indiana Merit group is included in both figures.) Of the millions of new students enrolling in higher education each year these few are never insignificant. Unfortunately, their numbers have been slowly declining through the years. It is expected that this trend will continue as the high school graduating classes become smaller in the 1980's, thereby creating more competition not only for the recruitment of the talented but for all students.

The majority of Merits did receive some financial support from their colleges and universities; but one is never certain if it was based on need or merit or both. Table 5 shows that 177 of the 280 or 65 percent accepted aid, and the dollar value ranged from $50 to $6,900. Not all of them needed money of course and the privates gave a little more, especially if they were located out of state (see Table 3). As previously noted, some publics were also willing and able to help. Twenty-three students were selected by their first-choice institutions to be National Merit Scholars (NMS's) and their average award was $1,168. The NMS's attended four different publics and 11 different privates. Fourteen of the 23 left the state to attend both types.

Besides parental help the next largest category where students received aid was the corporate/private sector. Of the 115 listed in Table 5, 75 were named NMS's in the competition. There were one-time awards of $1,000 and renewable scholarships worth an average of $1,371. Thirty-seven went to the publics and 38 attended privates; 20 of the 75 left Indiana.

There was no real difference in SAT scores between those who were awarded NMS's and those who were not. Also, the 34 NMS's who left the state did not have significantly higher scores than those who stayed.

Table 5

Number of 1981 Indiana Merits Receiving Financial Aid, by Type and Value of Support. (Also Includes Student Work.)

Type	Number Receiving	Value			
		Mean	Median	Minimum	Maximum
Parents	243	$2,770	$2,225	$300	$12,350
Relatives	16	1,407	1,005	200	5,000
State	77	856	700	195	1,685
Community	54	601	502	50	2,000
Private/ Corporate	115	1,325	1,007	100	7,600
College/ University	177	1,660	1,001	50	6,900
Federal	68	1,594	1,202	196	6,800
Loans	107	2,046	2,450	250	6,250
Work-Study	46	930	968	400	1,100
Work	**Number**				
Summer, 1981	170	725	625	90	2,300
Other	83	1,170	749	135	7,800
College	26	614	505	100	1,200

The other private sector was community-based awards but, except in isolated cases, there was really very little financial help.

The state tries to help students who stay in Indiana, and for those who receive the maximum in available need-based aid there are extra "freedom-of choice" grants if they are accepted to in-state privates. There are also 20 $500 Hoosier Scholarships given each year and nine of the recipients are included in this study.[9] Table 5 shows that a large number of Merits did not qualify for state support. A few from families with incomes over $30,000 received money, but the usual circumstances-- college costs, self-help, parental help, state appropriations, etc.--determine eligibility.

A similar story can be told for the federal government since they have

their own formula based on need. Interestingly enough, 42 of the Merits qualified for Pell/BEOG grants, with five of them above the $30,000 gross income bracket. Others in the federal category received social security or veterans dependent benefits, service academy appointments, and ROTC and health professions scholarships.

A few also received work-study funds, especially if they were going to attend private institutions (not statistically significant). Twenty-six expected to work during their first year in college, and a number of them (170) were employed during the Summer of 1981. From the total group of 280, 174 worked during their senior year in high school and 72 were on the job more than 15 hours each week. Some even managed to save part of their earnings.[10]

The final factor to be examined in Table 5 is loans. Of the 107 granted, 81 were federally guaranteed regardless of family income. Three were still waiting for approval, suggesting that they applied late when little or no other financial aid was forthcoming. The 1978 Middle Income Student Assistance Act was designed for many in this group, but they were very concerned about the rule changes in 1981. They commented on the questionnaire about the new 5 percent origination fee deducted from the face value of the loan, the increase in the interest rate from 7 to 9 percent, and the possibility that they might be excluded from the program in their sophomore year because of family income.

Comments and Concerns

The respondents were quite conscientious in completing the financial resources section on the questionnaire since they also had to calculate the amount needed to attend their college during the first year. Perhaps the

tables and the explanations for the relationships between and among the variables are rather obvious. What is not so well known to the general education community, however, are some of the perceptions and concerns of this select group.

Since multiple-choice responses have a tendency to erase part of the human experience, the final item on the survey read:

> I know that questionnaires are, by their very nature, somewhat restrictive; and I would like you to use the following space [approximately seven inches on the fourth and final page] for any additional comments on any of the questions. Indeed, feel free to comment on topics or questions that were not even mentioned.

They had just completed the financial resources section on page three, and when they turned the page and read this open-ended invitation they unloaded! Almost 60 percent took the time to write two, three, even four paragraphs concerning their triumphs and defeats in the secondary school system, their relationships with peers and family, and their search for financial aid. A few of their remarks will place the preceding data and discussion in proper perspective. There is some paraphrasing and slight changes in numbers to protect the confidentiality of their statements.

On the positive side, almost 20 percent were pleased with their awards. For example:

> I was very happy to receive a scholarship from Purdue for my academic achievements. You'll see that it is worth $1,000 and can be renewed if I earn high grades in my freshman year.

If it had not been for the generosity of [in-state private college] I would not have the opportunity to pursue a strong liberal education. It has always been my dream and I worked hard for this opportunity.

You have to understand that there's more to high school than sex, drugs and cars. There's also band, beauty queens, and jocks. There's also tests. There have been times when I deliberately missed questions on weekly quizzes so I could joke about a lower grade with the academic dwarfs in the zoo. No more. I do not suffer fools gladly. I scored above 1400 on those SAT tests to show everyone what I really could do. I received a few dollars for my efforts and now I'm ready for my realeducation to begin.

As you can see I was a National Merit Finalist and received a four-year scholarship. I'm proud of that. It was not one of the "biggies" but something is better than nothing.

It sure would be nice to get some more help in my second year and I'm going to work my tail off to show Indiana U. I deserve it.

Many, many others were not so positive, primarily because they received little or nothing for their efforts. Most of the comments centered on their academic ability, their middle class, their need, and the financial aid forms.

There were problems for those who received some help:

I have been disappointed in the small number of scholarships and financial awards given to the better students (including me) in the high schools in this city. Academics are third here--after sports and beauty contests. We get thirds on the money and no publicity. My counselor could get no coverage at all when I received a $500 renewable scholarship. The newspaper was afraid it would create a conflict with the other high schools because there would be no article about one of their students. Do they mention the winning team in a sports story?

I had believed that by placing in the upper half of one percent in PSAT scores, by striving to maintain an excellent high school record, and by scoring above 1400 on the SAT I would have something to show for my work. What a joke! They gave me less than $500 per semester and it costs more than $4,000 per semester. What a joke! I guess I should be grateful for the toothpaste money.

Every time I get an award another one gets cut back. I worked very hard for every one of them. I deserve all of it because I was chosen to win <u>all</u> of it.

Everytime I receive another scholarship the amount of an old one is reduced or taken away. If all my earned scholar-

ships had been left at their original amounts my parents would only need to pay less than $1,000. That financial aid form implies that we mortgage our home instead of rewarding me for my work. Colleges seem to believe that a student can only merit a certain amount of money and are determined to take every penny above that amount away.

For those who received nothing there was disappointment, disillusionment, disgust, frustration and bitterness.

It is difficult to fully accept the fact that most financial awards are distributed on the basis of need. I realize that many capable students would not have the opportunity to attend college without financial aid. It is not my intent to deprive them but my thinking is not so generous anymore.

Tell me why I and my parents are being penalized because we are willing to work hard and save money for my education? I am slowly learning the difference between the law and justice and let me tell you it's a hell of a lesson.

I have never had more than a ten hour job per week during high school. I concentrated on my studies and look where it got me. Not a nickel because my parents' income is too high. It's Catch-22. It's crap!

Check the meaning of the word scholarship in your dictionary. Why are so many of these so-called "scholarships" tied to family income? I need money. I can't make it on honorary certificates.

No more honorary scholarships please! Three is about all I can handle! One more momento and pretty soon the state will give me an honorary degree!

I've just invented a new formula for the College Scholarship Service: Talent minus need equals zilch.

I feel that my family is being penalized for saving money. Other families who have spent frivolously or who are up to their ears in debt for gimmicks and gadgets get a break in the financial aid calculations.

I was in the top five percent of my high school graduating class. A girlfriend of mine wasn't even in the top 100. I was involved in extra-curricula activities. She wasn't. Her parents own a second home in [resort area] and two new cars. My parents still have about $10,000 to pay on the mortgage and two older cars. I have brothers and sisters. She has [same number]. My father works for a company. Her father owns one. Because of supposed financial losses (which hasn't curbed their style of living) she is receiving money from the state. I received an honorary scholarship.

I have a question. Why am I being punished because my parents aren't able to write it off? It seems to me the only standard is that there is no standard.

I've received a financial reward two years in a row. It's called the "good student discount" from the State Farm automobile insurance company. They say "it pays to study." Really?

I am not familiar with the financial situation in a lot of families but mine can't be too far off the norm. Four of us compared our financial forms and it looked like they took one application, then entered the figures, and sent all of us a Xerox copy. You can see they didn't send me money.

The first bomb dropped when the NMSC letter arrived. No money. The second dropped when the federal form arrived. No money. The third exploded when the state form arrived. No money. Somewhere in between this shelling the college acceptances arrived. No money.

It's a disaster. My parents are still in shock. Our "expected family contribution" can be realized by selling my brother or my body. My confidence is so shaken that I'm not even sure what I'm worth anymore.

The equity that mom and dad have in this house is not exactly what I would call "liquid." The CSS expected them to pay $1900-2300 for my education. [Expletive deleted], that first figure could just as well be $19,000. It's impossible!

There were really two groups of students in this survey. First of all there were those young men and women who came from the more affluent families and did not need the money, or those who were quite thankful for any help they received. The second, much larger group did not receive any aid, or not enough of it, to satisfy their perceived need. For them the middle income 'crunch' was real. Some applied to out-of-state institutions, were accepted, but settled in-state because the money was not there from the family, from the college, or from the government. As one young man wrote: "out-of-state tuition is out of sight!" For others, in-state was their first and only choice.

Numerous comments from <u>both</u> groups indicated that they should have received scholarship money because they earned it and deserved it--and often needed it to stay out of debt. They felt that they should be rewarded because of their academic prowess and not penalized because of family income. Parenthetically, at least a third of them were probably familiar with the system since an older sibling either had been attending or had already graduated from college.

There is only so much money available, of course; but if some of the preceding paragraphs appear strident, read the cynical, sometimes hostile words on their perceived waste of financial resources.

> Will someone please explain to me why the not-so-bright get so much financial help from Indianapolis [the state capitol] and Washington, D.C. while the talented and highly motivated have to borrow to go to college? Guess which group won't even make it through the first two years?

I'm sure you know a lot of the money is given to students with lesser scholastic achievement. Perhaps I am a naive young woman but why doesn't the state bet more of its money on quality instead of quantity? What's wrong with rewarding the best students?

The middle class receives very little help to send their children to college while the poor are eligible for a host of federal and state funds. Economic redistribution--where the middle pay for the lower--is social democracy. Each according to his need is also Marxism. Why is it that the middle class takes it in the ear every time?
I say "Hooray" for Reaganomics but Mr. President "Keep your hands off the guaranteed student loans."

Whether or not students are financially able to pay for an education should have no bearing on receiving a scholarship if they are deserving of that scholarship.
Does some athlete who can't walk and chew gum at the same time deserve the money? Have you ever listened to them in a TV interview?

The no-talent guy has an unfair advantage over me when it comes to getting money for college. Even with the free ticket he still has no talent and will flunk out of college unless <u>they</u> also believe in <u>social</u> promotions.

Povertyship should not be the main criteria for scholarship!

The whole system is like spending nine cents for half a postage stamp and still expecting first-class results. How dumb can we be?

Let's talk about unequal opportunity. I've been the victim of discrimination because of dad's income. I have the feeling that this society may even be ashamed of me. The levelers are trying to teach me a lesson. I get certificates while they distribute the money to other people for other reasons.

Have you ever read the short story of Harrison Bergeron and the Handicapper General by Kurt Vonnegut?

[Two short paragraphs will make the point for this young man.]

[The year was 2081, and everybody was finally equal. They weren't only equal before God and the law. They were equal every which way. Nobody was smarter than anybody else. Nobody was better looking than anybody else.

And George, while his intelligence was way above normal, had a little mental handicap radio in his ear. He was required by law to wear it all the time. It was tuned to a government transmitter. Every twenty seconds or so, the transmitter would send out some sharp noise to keep people like George from taking unfair advantage of their brains.][11]

An Education for the Academic Champions

When the NMSC and student financial aid officers in our colleges, universities and state systems talk and write about scholarships, grants, awards, gift aid, opportunity, merit, achievement, aptitude, and talent, one really must listen and read closely. These words are used interchangeably today, like a semantic smokescreen, covering federal and state legislation that gives money to certain groups of students and limits the dollars given to a smaller, more intelligent group. Many of the students and their parents may understand and accept the financial aid system. Some do so reluctantly. But there is one question that both find difficult to answer: What ever did happen to the academic rewards in this country? They find it hard to believe that excellence in learning and high achievement are undemocratic. This is what teaching and streaming and scholastic aptitude and achievement testing are all about in the school system.

Selection for the NMSC competition appears to be quite an honor because so many of the high school awards have so little substance. You can only do so much with certificates of merit in English, biology, or mathematics. There are certificates from the National Honor Society and from Who's Who Among American High School Students. There are certificates for this and certificates for that. The best and the brightest have been told for so many years that they're good - very good - and they have proved it. They have succeeded despite the odds, but then they learn that the silver spoon is tarnished because their parents' income is too high. It is CATCH-22! The senior year in high school and the following summer was truly an education for these academic champions.

Have we reached a point where some parents almost feel obligated to apologize to their sons and daughters for not being employed in the right place

or for earning more money than is necessary to qualify their offspring for a real scholarship? It really does not have to be this way. Just what can be done for the top 50,000 in this country? How much is it going to cost? And where is the money? Perhaps the corporations can <u>really</u> help.

<u>Corporate Self-Interest</u>

With the passage of the Economic Recovery Tax Act of 1981, personal and industrial tax cuts are supposed to provide the incentives to invest in and stimulate the future growth of the economy. It is assumed that this growth will result in increased employment <u>and</u> a balanced federal budget, according to the sermons to the faithful by Gilder, Laffer, Stockman, Winniski, and Regan.

To cushion the shock of a major shift in national policies and priorities, the Reagan administration has suggested that the private sector increase its contributions to many existing domestic programs and even promote their own local models of social service. The National Association of Manufacturers and the National Alliance of Business have acknowledged the challenge, and a Presidential Task Force on Private Sector Initiatives has already completed its final report. (The White House Office of Private Sector Initiatives is now in operation).

But at this point in time, it is not at all obvious that private industry is going to pick up part of the tab that the government has implicitly thrust on it. Corporations may have a long history of philanthropy, but few engage in it because others need money. They give because it serves their own interests, directly or indirectly. To realize this point, one need only recall the previous discussion on preferential criteria for corporate scholarships or read the separate reports issued by many companies concerning their charitable endeavors. Each corporation has its own investment profile and commitments, and some of the listed activities in the reports are mandated by legislation

and regulation (pollution control or health and safety, for example) while others are quite voluntary and responsive to perceived needs in civic, social, cultural, educational, and health and human service programs. These programs range all the way from employment training to urban and rural development, with particular emphasis on women and minorities.

Before the tax bill was passed, corporations were allowed to deduct up to 5 percent of their net income before taxes for charitable contributions. It is ironic that the Revenue Act of 1935 permitting this deduction was passed to increase the resources of social welfare agencies. The other alternative being debated by the 74th Congress at that time was an increase in the corporate tax rate so that the government could expand its support of these agencies! In August of 1981 the law was changed, courtesy of Senator Kennedy's amendment, permitting corporations to give away 10 percent of their pretax net income (PTNI). But how much do they really give?

The IRS and Conference Board data indicate that since 1960 the annual ratio of world-wide PTNI to domestic giving has been around the one percent level. The latest figures from the Conference Board estimate that $2.7 billion, including property donations and appropriation to their own foundations, was given in 1980 from a PTNI base of $245.5 billion. There are also some corporations that give 2 percent, 3 percent, or even 5 percent, but they are the exceptions. The ratio of domestic giving to the domestic PTNI in the Board's annual sample is usually six-tenths to seven-tenths of one percent because many of the companies are very large multinationals. The larger the company, the smaller the percentage of PTNI given. Again, there are exceptions.

Of course it is nice to have a profit before you give anything away, even though Nobel Laureate Milton Friedman opposes almost all corporate charity except those contributions which provide "marginal returns to the company

greater than their marginal costs." Although he suggests that their function is not to serve as a locus of social improvement, he would approve of donations to local hospitals, colleges, museums, and parks and deduct them as business expenses. Since corporations exist to make a profit for themselves and their stockholders, a brief example will show how much it costs to give it away.

Assume that a company has a pretax net income of $100 million and does not contribute a nickel to anyone or anything. After a 40 percent federal income tax rate it then has $60 million available to its common stockholders who own 20 million shares.[12] Dividing net income after taxes by the number of shares outstanding, the earnings per share are $3. It distributes these net earnings on a 50 percent payout ratio for dividends, retaining 50 percent for future operations and expansion. Dividends per share are then $1.50. Now suppose this same company with $100 million distributes 2 percent of its PTNI to worthy causes. Two percent of $100 million is $2 million off the top, with $98 million subject to taxes at a 40 percent rate and $58.8 million available for distribution. The 50 percent dividend payout ratio for 20 million shares is now $1.47 per share. It is obvious that the company really did not save $2 million in taxes by giving it away since a 40 percent rate would allow it to keep 60 percent or $1.2 million for distribution. One-half of the amount could have gone to dividends, and that is where $.03 did not go in this example. One who owns 1,000 shares received $30 less that year. And the company did not have another $600,000 to keep after taxes. Think of it this way: management must decide whether the marginal return from giving is greater than the marginal cost--to itself and to its shareholders.

Beyond the immediate self-interest of the corporation there is always the question of how far the radius of social responsibility should extend. Many cast a rather wide net, particularly through their own foundations. For example, local and state boundaries are transcended in endowing a Chair of Free and

Competitive Enterprise, a Chair of Private Enterprise, or an Enterprise Professorship for Capital Formation. Support for national public television is an obvious example, particularly by the big oil companies who also make a strong effort to promote this sponsorship in the commercial media. Not so well known to the general public--yet--are corporate contributions to support conservative public policy research institutes, i.e., the Institute for Educational Affairs, the American Enterprise Institute, or the Heritage Foundation. As a direct reaction against the liberal establishment and secular humanism of the "collectivists," "handholders," and "bleeding hearts" in the colleges and universities in the 1960's and 1970's, Henry Ford, David Packard, William Simon, and Irving Kristol reminded corporate America to 'look before you give' to higher education.

Corporate America and the National Merit Scholarship Corporation

It is indeed a good time to take a close look before they give. Whatever the arguments, whatever the benefits for giving on a quid pro quo basis, it is a fact that businesses depend on our colleges and universities to educate their most valuable officers and employees. The growth of any company is closely related to the quality of its recruitment efforts each year; and, quite frankly, they could not exist for long without a first-rate supply of chemists, biologists, engineers, economists, accountants, sales and marketing experts, and other professionals.

If ever there was an objective of the first magnitude for the preservation and advancement of competitive enterprises, for a marginal return greater than the marginal cost, for a responsible allocation of financial resources, it is the awarding of real scholarships to the best and brightest talent. It is an investment in human capital and certainly comparable to funds invested in

physical capital such as plant and equipment. The same rigorous standards of justification apply to both types of decisions.

Many of the Fortune 1300 draw heavily on the national pool of technical and managerial talent graduating from our institutions of higher education. The bluebirds of NMSC just happen to major in many of the areas needed. For example, 21 percent of those entering college in 1981 went into engineering, 18 percent went into the physical and natural sciences, 12 percent to the health sciences, 8 percent to math or computer science, and 6 percent to business and economics. The latter figure has tripled since 1970.

However, it has already been shown that the NMSC program funds are restricted by the annual support now received from a limited number of corporations and their foundations (and 200 colleges and universities). It boggles the mind to calculate what would happen if all Fortune 1300 participated in the National Merit Program next year with fewer strings attached. Only 250 do so now.

Since only 25-30 percent of businesses declare a charitable contribution on their tax returns, and the contributions of the 50 largest corporations total almost 20 percent of all the dollars donated by business, it is estimated that the top 1300 account for at least one-half of all corporate giving in the United States. For 1980 that would be one-half of $2.7 billion, or $1.35 billion. An earlier discussion showed that the larger corporations give away about seven-tenths of one percent (.007) of their domestic PTNI. From a base of $193 billion in PTNI for the 1300, increasing the pattern from .007 to .008 (an extra one-tenth of one percent!) would amount to $1.54 billion instead of $1.35 billion, an increase of $190 million for the NMSC. This proposal does not mention <u>zillions</u> of dollars, and here are two specific examples of increased

giving. If .007 is equal to $7 million for a very large company, then .008 is an increase of $1 million. Similarly, if .007 equals $700,000 on a base of $100 million in PTNI then .008 is an increase of $100,000. The latter is a medium-size company and does not place on the top 50 corporate giving list.

Here is what could happen if the 1300 participated in this venture: an award of $1,000 for each of the 50,000 commended, semifinalists and finalists ($50 million); an additional $2,000 per year to each of the 13,600 finalists ($108.8 million); and an extra $2,000 per year to each of 2,500 candidates targeted by the corporations for regular or special scholarships ($20 million). The total bill for this still competitive system would be $178.8 million, with the remainder going to outstanding black students and administrative costs. Remember also that there are a number of other corporations already participating in the NMSC program.[13]

In the first year of operation the maximum award would be $5,000 per year for 2,500 students. In two years the pattern could be increased from .008 to .009 on a base of $200 billion, securing an extra $260 million for undergraduate scholarships. Costs would undoubtedly go up during this period, but by then the 50,000 could receive a minimum of $1,000 for <u>each</u> of their four years of study. Additional monies in the next few years would enable the NMSC to increase the value of the awards.

Now Is The Time

This is an awkward moment to call for increases in scholarship money. Corporate profits are rising very slowly from the depths of the 1981-82 recession. Decreases in real dollars for many state and federal student aid programs have already happened.[14] The money used by our colleges and universities to award scholarships is not unlimited. Further increases in tuition and fees will hamper the private colleges in their competition for talented students since the states can subsidize high ability students - and all students - with lower

charges at their own public institutions. In financing more scholarships, the corporations would be helping the privates since that is where 61 percent of the Merit Scholars now enroll. This number is down from 67 percent in 1970. More corporate dollars would also reduce the increased competition among both public and private institutions in "buying brains" with no-need scholarships from their endowments and general funds. One college has offered one dollar per SAT point (verbal plus math) to all takers. Now that is agressive recruiting! Without doubt this is an extreme example, but some do question the real reason why colleges participate in the NMSC. With additional millions available, many more institutions of higher education may make a concerted effort to improve their programs and their performance and legitimately attract the better students.

When profits improve, many fear that increased contributions will invest the corporations with power and influence beyond their normal economic functions--the Corporate Medici Syndrome--while others warn that it could not be spent wisely. But it is possible to give away $190 million, especially when this amount is directed to one source instead of 100 or 500. The NMSC is already the largest privately supported, independently financed undergraduate scholarship competition in the U.S. There is some need for additional manpower there, but no real need to increase the number of philanthropoids in the corporations or their foundations.

In the final analysis it is not more or less money from the federal and state governments for financial aid, but <u>smart</u> money from the corporations for true scholarships that is going to make the difference in solving the incredibly complex problems in the future. Just who is going to work with gene splicing, microcomputer designs, energy alternatives, communications research, the arts,

health systems, and, yes, even stealth aircraft and nuclear defenses? These students are the next generation of scholars, scientists, and managers. They are all we have. Underwriting more, many more National Merit Scholarships would be a strong policy statement of what corporate America thinks is important in this society. Support for the bluebirds is in their own best interests.

NOTES

[1]For example, see Christopher Jencks, Who Gets Ahead? (New York: Basic Books, 1979) especially Chapter 4 on "The Effects of Academic Ability;" Humphrey Doermann, Crosscurrents in College Admissions (New York: Teachers College, Columbia 1969) and Toward Equal Access (New York: College Entrance Examination Board, 1978); National College-Bound Seniors, 1972 to 1982 (New York: College Board, annual); and Test Scores and Family Income (Princeton: Educational Testing Service, February, 1980).

[2]National Merit Scholarship Corporation Annual Report, 1979-80 (Evanston, Illinois: The Corporation, 1980), p. 3; and National Merit Scholarship Corporation Annual Report, 1982-83, p. 15.

[3]For the record, the average 1981 PSAT/NMSQT national score was 126; for Indiana it was 125.

[4]Another $8 million is awarded annually in two other programs controlled by the NMSC. Almost 1,000 special four-year scholarships costing $5.7 million are underwritten for students whose scores are below the finalist level but who meet corporate preferential criteria. Over $2 million is given to almost 700 black students through corporate and college sponsorship of the National Achievement Scholarship Program for Outstanding Negro Students. This competitive program is described as "a compensatory effort" with cutoff scores different from the regular Merit program. Except for the 350 one-time $1,000 awards to blacks, the need factor is always considered in both programs.

[5]Also determined from the ten late responses and a random telephone sample of 20 percent of 80 non-respondents at their colleges in October of 1981.

[6]Remember that X^2 helps to determine if a relationship between two variables is statistically significant or due to chance. In accepting the more stringent .01 level of significance for this study, the probability of a chance relationship instead of a real one is reduced to one time out of 100.

[7]Death of a spouse accounted for another two percent. One-half of the remaining ten percent had remarried.

[8]On the use of this 'weapon' in a polite war see, for example, Betsy A. Porter and Suzanne K. McColloch, "The Use of No-Need Academic Scholarships in the U.S. Universities and Colleges: A Survey." (Skokie, Ill.: National Association of College Admissions Counselors, November, 1982); Nathan Dickmeyer et al, Institutionally Funded Student Financial Aid (Washington: American Council on Education, 1981); Kenneth M. Deitch, "A Price War for Higher Education?" Change, XIII (April, 1981), 24-26; Alexander G. Sidar, Jr., and David A. Potter, No-Need/Merit Awards (New York: College Entrance Examination Board, 1978); Barry McCarty, "No-Need Scholarships," The College Board Review, CVII (Spring, 1978), 38-39; Alexander G. Sidar, Jr., "An Issue: No-Need Awards," National Association of College Admissions Counselors Journal, XXI (November, 1976), 29-34; Joseph Y. Ruth, "No-Need Scholarships," National Association of College Admissions Counselors Journal, XXI (November, 1976), 20-21; Robert Huff, "No-Need Scholarships," The College Board Review, XVC (Spring, 1975), 13-15; and Lee Wilcox, "Financial Aid and Admissions Quotas," The College Board Review, XC (Winter, 1973-74), 10-12.

[9]Under the new Indiana Higher Education Award Act of 1981 the state now gives approximately 850 of these no-need scholarships each year.

[10]For an imformative view on teen-age work, see Sheila Cole, "Send Our Children To Work?" Psychology Today, IV (July, 1980), 44-68.

[11]Kurt Vonnegut, "Harrison Bergeron," Welcome To The Monkey House (New York: Delacorte Press, 1961), p. 7.

[12]As many readers know, taxable income is a closely guarded figure. With deferred taxes, new liberal depreciation rules, investment tax credits (including leasebacks), and interest costs on long and short-term debt, the real tax rate is considerably below 40 percent.

[13]Some corporations also sponsor their own undergraduate scholarship programs and many others support scholarship and fellowship programs at designated colleges and universities at the graduate level. This is where part of the .007 now goes.

[14]A recent discussion paper distributed by the National Student Aid Coalition proposed that the federal government create a Congressional Scholars Program costing $50-100 million annually, depending on the financial need of approximately 5,300 talented students. See "Student Aid: Four Suggestions for Improvement." (Washington: National Student Aid Coalition, October, 1983).